

Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 8, 2013

CERTIFIED RETURN RECEIPT 7011 0110 0001 3568 0598

Brent Sumsion Sunroc Corporation 525 West Arrowhead Trail P.O. Box 488 Spanish Fork, Utah 84639

Subject: Evaluation of Reclamation Surety, Sunroc Corporation, Levan Henry Mine, M/023/0023,

Juab County, Utah

Dear Mr. Sumsion:

The last reclamation cost estimate for the Levan Henry mine was completed in 2007 and escalated to 2012 dollars, so the reclamation surety amount is now due for review and adjustment. The Division may adjust the amount of reclamation surety as the result of a periodic review taking into account inflation/deflation based on an acceptable cost index (R647-4-113.6).

The Division has developed worksheets to assist both the Division and mine operators to calculate the reclamation surety amount using standard unit costs. These are available on the Division's web site at

http://linux1.ogm.utah.gov/WebStuff/wwwroot/minerals/bonding worksheets.html. Please complete these forms and return a copy to the Division for review. Once the forms have been reviewed, the Division will ask that you adjust the amount of surety to reflect the current reclamation cost estimate. Please submit the reclamation cost estimate as an amendment to the Notice of Intention to Commence Large Mining Operations (LMO) by March 1, 2013 so the information can be incorporated into the approved plan.

Please contact Wayne Western at 801-538-5263 or by e mail at waynewestern@utah.gov if you have questions about the worksheets.

The Division also requests that you review the LMO to ensure it is adequate and reflects the current operating conditions. Any necessary changes should be addressed by submitting an amendment to the LMO.

Page 2 of 2 Sunroc Corporation M/023/0023 January 8, 2013

Thank you for your cooperation. Please call Wayne Western at 801-538-5263 or me at 801-538-5261 if you have questions about this letter.

Sincerely,

Paul B. Baker

Mining Program Manager

 $PBB: whw:pb \\ P: \GROUPS\MINERALS\WP\M023-Juab\M0230023-Henry1 and 2\final\Esca-01082013. doc$